What is capitalism?

Joe Hendren, Robert Reid, and James Robb

*On March 14, 2024, the Platypus Affiliated Society hosted a panel discussion at the Rationalist House in Auckland, New Zealand, with panelists Joe Hendren (Auckland Socialist Society), James Robb (*A Worker At Large *blog),*[1] *and Robert Reid (FIRST Union).*[2] *Platypus member Michael McClelland moderated the panel. An edited transcript follows.*[3]

Opening remarks

Joe Hendren: This is a massive topic. I'll introduce a few examples that might be useful for the discussion. In 1992, after the fall of the Soviet Union, Francis Fukuyama said that capitalism represented the end of history, that after capitalism, there was going to be nothing else; this was the high point of human civilization. While Francis now thinks that he might not have gotten that right, there are still people who believe that capitalism is the be-all-and-end-all and won't ever change. I disagree. At the high point of feudalism, could you have had a lord of the manor thinking, "feudalism will stay; this capitalism thing is never going to get going"? You get social and political change even when it's not necessarily predicted by the people that have a vested interest in the status quo.

Adam Smith has been called the father of modern capitalism. He published *The Wealth of Nations* (1776), and there are a few key ideas in there. The concept of the "invisible hand," which he doesn't mention often in the book, describes the incentives created by the free market for people to act in the public interest. That's the idea, anyway. The second thing he talks about is the division of labor: dividing labor into component parts, allowing for specialization and efficiency. The concepts of division of labor and the invisible hand often make their way into economics textbooks, but other ideas from the Wealth of Nations do not. For example, Smith also recognized how the division of labor could destroy people if taken to an extreme level. In some ways you could say that he actually pre-empted Marx's theory of alienation that came later.

The key thing, for those of us that are skeptical of capitalism, is that it leads to mass inequity, and we're seeing that at the moment. See, for example, the works of people like Thomas Piketty, who wrote *Capital in the Twenty-First Century* (2013). In 1910, the share of income held by the richest 1% in Anglo-Saxon countries was high. After the Great Depression, the Keynesians tried to change the extremes of capitalism by bringing this percentage down, but around 1970 the share of global income held by the top 1% started to go up again.

I tend to resist utopian-style thinking, whether it's that of an absolutely perfect free market, or that of the anti-intellectual end of the Marxist spectrum that prioritizes action over thinking and claims that the two are opposite. Karl Marx said, "The philosophers have only interpreted the world in various ways, the point is to change it,"[4] which gets misinterpreted. One of the most important things about that sentence is actually the punctuation; it's the comma. He's saying that you can think about the world and you can change it. One person that influenced my thinking was the New Zealand writer Bruce Jesson, who wrote in 1983 that action and theory are commonly regarded as opposites, or at least as alternatives.[5] Commonly, Leftists prefer action on the grounds of it being "practical" and showing commitment to a cause, whereas theory is disparaged as being indulgent, elitist, and removed from reality. I agree with Jesson: you need both. In order to achieve change, not only do we need to organize, but we also need to develop an intellectual base that allows us to support those aims. This is why meetings like the one we're having today are worthwhile.

James Robb: The essence of capitalism is production for profit. Economic life today is dictated by the profit needs of the wealthy class of owners rather than human needs. There is a widespread belief that the former largely coincides with the latter, that through the mechanism of supply and demand the price of something will go up as soon as there's a need for it, and that therefore it will become profitable to produce it, such that capital will be poured into that branch of industry. Meaning that, indirectly, production meets human needs. There was an element of truth in this assertion, especially in the early years of capitalism. Capitalism did develop the productive forces of humanity to an unheard-of extent. But today, we're in a different phase of capitalism, its senile decline.

The profit demands of the capitalists increasingly form an obstacle to human needs, especially our social needs. How does the market meet the need to combat climate change and carbon-dioxide emissions? They set up the emissions-trading scheme, a new form of fictitious capital, through which the CO2 emitters can pay for their sins and then trade them, all of which has nothing to do with reducing emissions.

Capitalism leads to the sharpest class contradictions in human history and therefore the most catastrophic wars and other contradictions. Contradiction is key to understanding that capitalism is not going to be around forever. For example, the competition of capitalists among themselves drives them to introduce labor-saving machines so that they can produce at lower costs than their competitors. This gives them a temporary advantage, but the problem is that the value of any commodity on the market is ultimately determined by the amount of labor embodied in that commodity. Eventually, competition will drive all the other capitalists to introduce the same labor-saving machines and then the price, the value of the commodity, goes down because there is now less labor embodied in it. If the capitalists can sell their increased production they'll still make a profit, but their rate of profit will have fallen because they've all had to invest in the new machines. The capitalists have attempted to reverse this falling rate of profit, especially since the 1980s when it became extremely acute. They've made significant cuts to workers' wages, sped up the pace of work, and lengthened the working day. At the beginning of my working life, the eight-hour day was the norm. Where I work now, a metal-recycling factory, 12 hours is the norm. It takes us right back to the beginning of the 19th century. Capitalists have also massively increased the recruitment of migrant workers in oppressive and exploitative conditions. There are whole industries now, like horticulture, which depend on the super-exploitation of migrant labor, and they would rather shut down than hire local-born workers. That's what we saw during COVID, when the migrants were returned home. All these have been significant attacks on workers but nowhere near enough to restore capitalist profitability.

Next, they shut down entire industries and shifted their operations to Asia, China in particular. Whole industries — clothing, footwear, small engineering — that used to be big in New Zealand are all gone. Big factories, including the Fisher & Paykel appliances factory, shut down and relocated to Asia. The same thing happened across North America, Europe, and the United Kingdom. Capitalism in those old industrial powerhouses became increasingly parasitic, drawing wealth from the rest of the world and still living off the financial and trade advantages that had accrued to them during the period when they were industrially dominant.

How does the falling rate of profit manifest in New Zealand today? It's a major element in the housing crisis. When the rate of profit in industry falls, capitalists start looking for bigger profits outside of production altogether. There is speculation in all kinds of fields of fictitious capital like treasury bonds, debt packages, soybean futures, and Bitcoin. I don't even know what half of them they represent. They're paper values with an entitlement to an income, and these get traded at a phenomenal rate. Facebook, for instance, has a massive market value that has nothing to do with the value of its assets, and it will evaporate at a certain point. In New Zealand, residential real estate is the favorite form for those who take part in this unproductive, speculative attempt to grasp for profits. There are 40,000 empty houses in Auckland alone. Capitalists park their money in ghost houses, speculating on future capital gains that might occur when prices go up.

The falling rate of profit also leads to unimaginable levels of debt. You read these figures and think, "my god, that's a huge amount of debt," and then you come back a few years later and it's doubled or trebled. Debt is piling up because it's the only way to keep the wheels of commerce turning. It's also making the world's financial system extremely unstable and liable to collapse. You can't predict the form that collapse will take, but you can see it coming.

The third thing is the collapsing infrastructure we see all around us. Growing threats to public safety and the environment are coming from the same cause. For 30 years, local governments and central governments have deferred payments on the necessary maintenance of the water supply and roads. You get these sinkholes opening up in Parnell, sewage pumped into the harbors in Auckland[7] and Wellington,[8] and leaking water pipes.[9] It's the chickens coming home to roost. The same thing is happening in the private sector, too, where a ferry with 900 people nearly ran aground a year ago because a rubber seal costing less than $1,000 hadn't been replaced in the ferry's engine.[10]

But the most important product of the falling rate of profit is China. The historic shift of capital investment to low-wage China gave capitalism a 30-year extension of its senile phase, but this is coming to an end in China too.

Robert Reid: The first question asked of the panelists tonight was "What is capitalism?" Previous speakers have dealt with the economic side, being private ownership, the means of production, distribution and exchange, and the system of the private extraction of surplus value. Those are the economic aspects which Marx and Engels were defined as part of capitalism. But also, Marx brought in a social, psychological aspect which, as Joe mentioned, is a system of the alienation of workers. There is the alienation of people from what they produce, meaning the latter's value gets appropriated by the employing class and alienated from society and its norms.

Capitalism is the next stage of development of human society following primitive communism and feudalism. So, as other speakers have said, it was seen by those who analyzed it not as something that will last forever, but as an economic and political process. It has different actors, different classes than feudalism, but a class society nonetheless.

And then finally if we use the word "capitalism" we are also referring to the capitalist state. Lenin took that a bit further than Marx. He called the state an "end," becoming the imperialist powers from the metropolitan countries. Imperialism, as Lenin called it, was the highest stage of capitalism.[11] If we look around today and do an analysis of different parts of the world, such as in Palestine, where this gruesome genocide is happening, we can actually see that that is a part of capitalism.

Is capitalism contradictory? Of course it is! Marx said not only capitalism but every single thing in the world is contradictory — the world is made up of contradictions, offering a way of analyzing things so that we can see

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Taking stock of the universe of positions and goals that constitutes Leftist politics today, we are left with the disquieting suspicion that a deep commonality underlies the apparent variety: What exists today is built upon the desiccated remains of what was once possible.

In order to make sense of the present, we find it necessary to disentangle the vast accumulation of positions on the Left and to evaluate their saliency for the possible reconstitution of emancipatory politics in the present. Doing this implies a reconsideration of what is meant by the Left.

Our task begins from what we see as the general disenchantment with the present state of progressive politics. We feel that this disenchantment cannot be cast off by sheer will, by simply "carrying on the fight," but must be addressed and itself made an object of critique. Thus we begin with what immediately confronts us.

The *Platypus Review* is motivated by its sense that the Left is disoriented. We seek to be a forum among a variety of tendencies and approaches on the Left—not out of a concern with inclusion for its own sake, but rather to provoke disagreement and to open

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The Platypus Affiliated Society, established in December 2006, organizes reading groups, public fora, research and journalism focused on problems and tasks inherited from the "Old" (1920s–30s), "New" (1960s–70s) and post-political (1980s–90s) Left for the possibilities of emancipatory politics today.

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Is there a Left in the 21st century?

Chris Cutrone

On April 5, 2025, the Platypus Affiliated Society hosted the panel "Is there a Left in the 21st century?" as the closing plenary of its International Convention at the University of Chicago. The panelists were Chris Cutrone (Platypus), Andrew Hartman (historian, author of Karl Marx in America *(2025)), Alex Higgins (*Prometheus *journal), and Branko Marcetic (*Jacobin *magazine). Platypus member Erin Hagood moderated the panel. An edited version of Chris Cutrone's opening remarks follows.*[1]

IRONICALLY, IT MIGHT ONLY BE NOW that the 21st century is really beginning. But this comes after the death of the Millennial Left, which strived but failed to be true to what was new and different about the 21st century, instead falling back on rehearsing and repeating the 20th century, to which it remained beholden. But the demand of 20th-century history was to overcome it. Capitalism is already doing so.

Meanwhile, what the Millennial Left abandoned as its task has been taken up by Trump. Trump, as the last 20th-century political figure, is finally ushering in the 21st.

Trump began his political ambitions in the 1980s Reaganite neoliberal boom era of optimism that gave birth to the Millennial generation. — Unfortunately, they entered adulthood just when first the War on Terror and then the Great Recession hit, robbing them of their life-chances. The first political response to these twin crises was Obama's election in 2008. But Obama's failure led to the Republican Tea Party revolt and Occupy Wall Street. When Obama was reelected in 2012, both Bernie Sanders and Trump decided to run in 2016: Bernie to represent the dashed hopes of the Millennials; Trump to finally, after several election cycles of hesitation and frustration, throw his hat in the ring. But where Trump was determined to win election in 2016, Bernie aspired only to shape the Democrats' program and message, winning back the young voters who elected Obama in 2008 but were disaffected by 2016. Both Trump and Bernie offered to fulfill the Millennial promise betrayed by Obama.

But this betrayal began long before, at the very beginning of the new Millennium and indeed earlier. Trump first floated his Presidential ambition in 1987, towards the end of Reagan's second term and in response to the dawning end of the Soviet Union, Iran-Contra debacle, Reagan's illegal-immigration amnesty, and the Black Monday stock market crash.[2]

Trump believed the promise of American renewal signaled by Reagan was being squandered. He was attracted to the political campaign of Texan computer systems engineer and entrepreneur billionaire Ross Perot, whose run in 1992 cost Reagan's Vice President Bush Sr. reelection and allowed Bill Clinton to win with a minority of the votes. But in 2000 Trump left the Reform Party Perot had started when it was taken over by Reagan's speech-writer Pat Buchanan, whom Trump called a "fascist," decrying him as too Right-wing — too nationalist, too culturally conservative.

So what was potentially squandered by the U.S. after the Cold War? At the time, it was called the "peace dividend." What was this based on? First, as I have written about Milton Friedman, it must be understood that neoliberalism was not anti- but post-Fordism, an attempt to realize the potential of Fordism.[3] This is why Trump and his following can appear as harking back both to the 1950s and the 1990s — bookending the long New Left era. The post-Cold War New World Order announced by Bush Sr. at the time of the Gulf War in 1991 suggested not a peace dividend but the continuing of supposed "military Keynesianism" of the "permanent arms economy" in the "military-industrial complex" — which Eisenhower warned of in 1960. So we are haunted not only by the problems of neoliberalism but mid-20th century Fordism as well. The past Trump recalled was uncomfortable — to say nothing of his newfound fondness for William McKinley and embrace of the 19th-century Gilded Age era of tariff industrial protectionism. It recalls a pre-Progressivism capitalism.

Trump had been somewhat assuaged by Clinton's victory in 1992, but soon felt betrayed, specifically by Clinton's embracing NAFTA, the North American Free Trade Agreement that had been negotiated by the prior Bush Administration and Clinton had denounced in his 1992 campaign — and had been Perot's central target, famously warning of the "giant sucking sound" in the American economy and society it portended.

Trump was a dissident to 1990s neoliberal globalization — also the target of the "Left" at the time, as seen in 1999's Battle of Seattle, at which labor unions demonstrably dumped foreign goods, in a call-back of sorts to the Boston Tea Party of the American Revolution and War of Independence.

In 2000, at the end of the Clinton Presidency, and after Newt Gingrich's Republican Revolution in Congress, giving rise not to the "vast Right-wing conspiracy" Hillary saw in the Monica Lewinsky affair but rather "Bipartisan Bill," Trump was with Jesse Ventura in the Reform Party bolting from Buchanan's American nationalist conservatism that abandoned Ross Perot's original Reform Party's common-sense Centrism. Soon afterwards, Trump supported Hillary Clinton's run for Senate and invited the Clintons to his wedding to Melania.

George W. Bush won the 2000 election promising to abandon what he called the "arrogance" of Clintonian globalism, attacking Clinton and his VP Al Gore's "nation-building" foreign policy. Of course 9/11 reversed this ironically and turned Bush's Presidency into the neoliberal global crusade of the Project for a New American Century that had been hatched previously by Clinton's Secretary of State Madeleine Albright. Trump was an early critic of the War on Terror and rode discontents with the "forever wars" into the White House, becoming the peace President Obama only promised but failed to be: the clearest indicator of counties voting for Trump was military-family density, bearing the brunt of the traumatic wars that became the longest in U.S. history. And military families are predominantly, overwhelmingly working-class, as the "poverty draft" had manned the U.S. military after the Vietnam era.

In 2016, Trump said he wanted the Republican Party to represent the working class and warned against it being the conservative party — he said American politics unlike other countries didn't need a conservative party. He has often said that because he ran as a Republican he had to tailor his message to win Republican voters, but that it would have been different if he had run as a Democrat. He sought in his first term to craft a new bipartisan consensus, and even welcomed the new Democrat Congressional majority in the midterm election as an opportunity to ally with Democrats and break Republican resistance to his policies, for instance on infrastructure spending.

I narrate Trump's political career in order, as myself a Gen X Leftist, to show how it parallels discontents of the Left throughout these preceding decades: opposition to NAFTA and neoliberal globalization more generally; disaffection with the two Presidencies of the post-Reagan neoliberal era Clinton and Obama; and rejection of the cultural conservatism of the Reagan Revolution. While Trump was never a progressive, he was always a middle-of-the-road moderate — as has been and will always be the preponderant majority of the working class. Trump was and remains a "Reagan Democrat" — meaning someone who could represent the working-class "swing voters" that decide elections in capitalist politics, but who never agree with the self-conceptions of policymakers or campaign marketers, to whom both appealing to the working class appears as chimerical folly and Trump ultimately makes no sense.

But a real socialist Left would have to make — better — sense of Trump's appeal, while also sharing the frustration with capitalist politics and policy that he represents politically. Socialists would have to represent such discontents better than Trump does. Ever since Reagan or perhaps Nixon, the Republicans have represented dissent against the dominant Democratic Party progressive liberal political order — which the "Left" is oriented around.

I have spent the last 20 years accompanying the Millennial and now Zoomer Left as a teacher — I spent the prior 20 years, 40 in total now, as a Leftist, going back to my high school activism and reading from Marxism. The Millennial Left is now as old biologically as I am as a self-conscious Leftist and Marxist. I can say that the problems have remained the same throughout that time. And "nothing new" means precisely that something different must be done now on the Left. Rosa Luxemburg wrote about 40 years — an entire Biblical generation — in the desert. I can attest to that being my time. Is something possible now, in the new century and

Donald Trump holds press conference concerning running for President in Portsmouth, New Hampshire (October 22, 1987)

George W. Bush delivers speech aboard the USS *Abraham Lincoln* (May 1, 2003)

millennium, that wasn't previously? If the older generations had to go under so that a new one could enter the Promised Land — or at least embark on the road to it — that time is now. Perhaps the Millennials were not the first of the 21st but the last of the 20th.

There was a time, a long time ago, namely more than a century now, when the socialist Left could and did make sense of working-class discontents and aspirations to overcome the manifest problems of capitalism, and were able to build out of this a mass base for socialist politics, independently of capitalist politics. This was before socialism liquidated itself into capitalist progressivism starting in the 1920s and 30s and growing ever more desperate and implausible through the 1960s and 70s New Left, up through the recent failure of the Millennial Left.

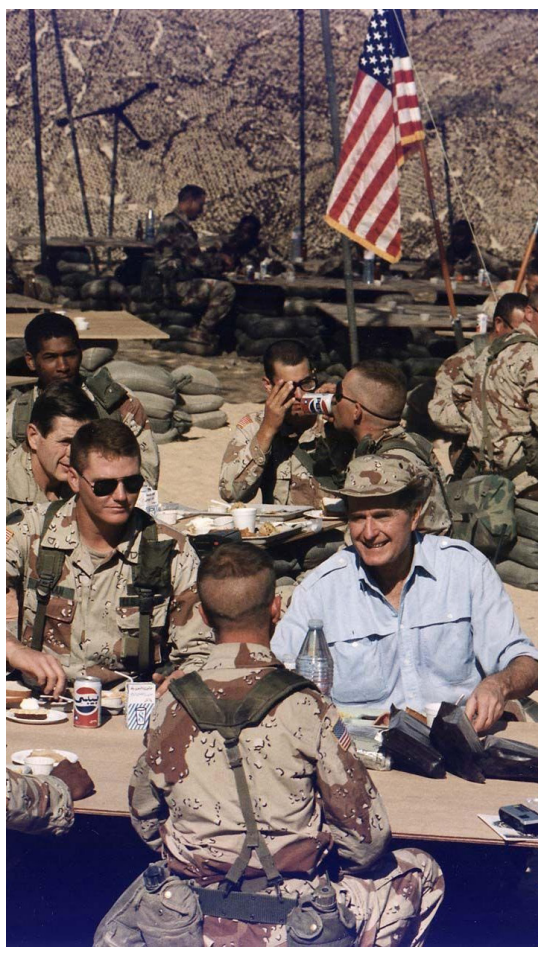
The Democrats have long been called the "graveyard of the Left" — more specifically, the "graveyard of movements" — but that means it's where they go after they die, not what killed them. They committed suicide, as Leftist movements, and this is how they ended up in the Democratic Party, actually giving it new life.

How did they kill themselves, politically? By abandoning their ambition. Why did they do so? Because they could see no way forward. This is where we are now: a sense of profound impasse.

But Trump is moving forward. Does the Left hope only for Trump to be mired in their own inability to change: their "resistance"?

At the outset of the Millennial Left, by contrast, it was capitalist politics that seemed resistant to change, and the Left that wanted to move things forward.

This is where progressivism manifested its problem: Was socialism progressive, or did it seek to return to a lost past? Did the Millennials seek to undo neoliberalism, or to move beyond it? The socialist impulse gave way to progressivism, because socialism was embraced according to its neoliberal definition: welfare statism contra private property and civil social freedom. The freedom of the capitalists was disgusting; and the freedom of the workers was scary.



George H. W. Bush eats Thanksgiving dinner with troops in Saudi Arabia (1990)

The Democrats were not always the "progressive" capitalist party but only became so with FDR, and in many respects fully only after LBJ. The socialist Eugene Debs ended his political life in the late 1920s supporting the "progressive" Republican La Follette. This augured the later Communist Party support for FDR and his New Deal in the Popular Front against war and fascism that prevented neither. Closing the 20th century now means breaking with that tradition of Democratic Party progressivism that defined it. It was always and remains permanently the terminus of socialism.

The opportunity for moving on today for a potentially socialist movement and politics is the crisis of neoliberalism and the changes in capitalism resulting from it. But not at the level of policy but society. Back in the 1980s–90s, the Reagan Revolution was used as an excuse to abandon socialism — by my mentors Adolph Reed and Moishe Postone, for instance — and the Trump Revolution is being used similarly now. The problem is that would-be socialists never rose to the occasion of the crisis of capitalism met back in the 1970s–80s by neoliberalism — and the Millennials failed to do so in the crisis of neoliberalism of the 2000s–10s, defining themselves against Trumpian post-neoliberalism, and seeing only a chimerical mirage of somehow undoing neoliberalism and returning to the pre-neoliberal capitalism of the 20th century.

Ironically, both Trump and the Millennial Left yearned for a return to the 1990s boom era that was the height of neoliberalism, before the War on Terror and Great Recession. But both dressed up this nostalgia as a desire for a more mythic past that never was: perhaps the post-WWII "Golden Age," or an even deeper past of humanity and true grit, whether of the 1930s Great Depression New Deal and its heroic "anti-fascism," or of Gilded Age Second Industrial Revolution and Second International socialism against the Robber Barons: the time of McKinley and William Jennings Bryan Populism that led to the Progressive Era.

But — bookending the other side of the 20th century — Bryan's Populism as well as Roosevelt's Progressivism failed, leading instead to Woodrow Wilson and WWI: the 20th century of war, revolution, and catastrophe, in fascism and communism; an end to capitalism — and its apocalyptic continuation after the end of the world.

The Millennials tried but failed to snap out of this nightmare weighing from the past century, but were shocked by the rude awakening provided by Trump. — Their "awokening" in response was just a depressed return to restless sleep, an insistence on staying bedridden in the 20th century, long after its convalescence was over, in an endemic PTSD response.

The Millennials refused to read the poetry of the Trumpian future, insisting instead that capitalism could not survive — if not capitalism, then the human race or the Earth itself, consumed in the AI Singularity of capitalism's black hole in fossil fuel carbon reduction of all organic matter to ash in global warming/cooling/nuclear winter. As Max Weber said, capitalism will end only with the last ton of fossil fuel burning up — he didn't reckon nuclear fission's infinite hellfire and brimstone.

No: it will continue. Cold fusion will give capitalism endless life — in deep space if need be, without even the Sun. Energy needs will be reduced to the mere molecular movement of digits. Not an event horizon of gravitational collapse, but an ongoing purgatory: the haunted afterlife in suspended animation that has followed the failure of socialism in the 20th century.

But, as Mao said to Nixon, what the Left proposed the Right pushes through. History moves on. Even its end is not the end.

The Left, for its part, refusing to accept its death, will remain stuck in the 20th century, long after capitalism has already moved on in the 21st — ushered in by Trump. Its restless ghosts of the dead will tap on the windows but stay trapped behind glass, looking on from the oblivion, to which it has been permanently consigned, outside of history: a mere idea.

A socialist Left that could meet the tasks of the 21st century has yet to come into existence. Can we anticipate it now? I used to think — when I first started teaching academically and soon after on the Left in and through Platypus — that we had moved out from under the postmodernism that dominated the late 20th century. Now it seems we are stuck right back in it — at least the so-called "Left" remains stuck there, still in the thrall of "French Theory" and under the shadow of Stalinism. But it didn't always appear so. It seemed in the earlier 21st century that something struggled to be born in the Millennial Left.

Now that moment has passed. What remains is the ghost of its unfulfilled potential. It is not undead because it never lived. The Millennial Left seems to have been the last gasp of the 20th century, strangled in the grip of its dead hand.

In 2017 I announced that the Millennial Left is dead.[4] Now I will say: The Millennial Left was unborn. **|P**

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[1] Video of the panel is available at <https://www.youtube.com/live/EE0zr2hs8i4>.

[2] See Michael Kruse, "The True Story of Donald Trump's First Campaign Speech—in 1987," *Politico* (February 5, 2016), <https://www.politico.com/magazine/story/2016/02/donald-trump-first-campaign-speech-new-hampshire-1987-213595/>.

[3] Chris Cutrone, "We are all Friedmanites now! A review of Jennifer Burns's *Milton Friedman*," *Platypus Review* 165 (April 2024), <https://platypus1917.org/2024/04/01/we-are-all-friedmanites-now-a-review-of-jennifer-burnss-milton-friedman/>; Chris Cutrone, "Symptomology: Historical transformations in social-poltical context," *Platypus Review* 12 (May 2009), <https://platypus1917.org/2009/05/15/symptomology/>; Chris Cutrone, John Milios, Emmanuel Tomaselli, and Boris Kagarlitsky, "The crisis of neoliberalism," *Platypus Review* 96 (May 2017), <https://platypus1917.org/2017/05/03/the-crisis-of-neoliberalism/>.

[4] Chris Cutrone, "The Millennial Left is dead," *Platypus Review* 100 (October 2017), <https://platypus1917.org/2017/10/01/millennial-left-dead/>.

years. There was no such revolutionary leadership in Germany, even though the objective conditions were more favorable there. The key difference in Russia was the existence of the Bolshevik Party. That is what we can do: we can start building revolutionary leadership. That is the task of the day, and it can be done in any country of the world. One of the revolutionary Marxists I admire is Thomas Sunkara in Burkina Faso, who, in the early 1980s, led a revolutionary government in one of the poorest, most economically backward countries in the world.

JH: It's useful to think about where ideas come from. I'd highly recommend Eric Hobsbawm's book *The Age of Revolution* (1962),[28] where you can see the progression of some of these ideas out of the French Revolution. It's interesting that some countries are more prone to revolution than others; they have a revolutionary culture. France is one example and the Philippines is another. In the Philippines, they have 9% union membership in the private sector, which is about the same as in New Zealand, but they get masses of people on the street every May Day. In New Zealand, the closest we've come to a real break might've been the 1913 strike.[29] At the same time, New Zealand has been one of the rare countries that has kept a democratic government for a lot longer in a continuous strain for so long.

I haven't read the Communist Manifesto *(1848), but I understand it's about the means of production belonging to the workers rather than one boss who makes all the decisions. In my ideal world, I would have, instead of the company owner deciding who the supervisors are, all of the individual members of the company coming together and collectively voting on who they want to be the supervisors. What are your thoughts on having smaller-scale democracy within the workplace?*

JH: It's useful to note that even in social democratic countries, they've only got political democracy. The other half of the equation is industrial democracy, which is a whole section of social democratic thought that never got implemented. There was a bit of a push towards this in Sweden in the 1970s, where they tried to have more democracy in the workplace, leading to changes in terms of how they designed their factories. In the context of certain car factories, they actually said, "If we organize them in a more democratic way and have more worker input, we might get higher productivity." There's an issue of the *New Zealand Political Review* in the late 90s which had about three articles on this. So, that idea occurs within the Marxist Left and the social democratic Left.

RR: Throughout history, there have been people interested in what you're interested in. People on the Left have had disagreements, punch-ups over whether to concentrate on the workplace or society at large. For me, it has to be both/and. If you have an interest in workplace democracy, tease it out, have a look. Some would call that view more of a syndicalist approach. There have been attempts for workplaces to be more democratic, even under capitalism, as Joe said. We're probably in the worst of all worlds: workplace democracy isn't even being attempted, along with everything else.

JH: It's ironic that Prime Minister Christopher Luxon[30] pushed to get rid of Fair Pay Agreements, which was actually one of the mechanisms that allowed the shop floor to go up to management, and say, "If you do it this way, it will get better productivity." The ironic thing is that it was Luxon who pushed some of the stuff about higher productivity, higher worker involvement when he was boss at Air New Zealand.

JR: I'm all for any kind of organization of workers within the workplace based on their needs. It's the germ of unionism. You do have to recognize that the bosses aren't going to like it because it interferes with their prerogatives. Workers are not there to meet their own needs; they're there because they serve the profit interests of the boss. As soon as they no longer serve that interest, they will be sent down the road.

I read in the news that the Austrian Communist Party was elected to office in one of their major cities,[31] in apparently the best example of what has been repeated in a few European cities. That is, European communist or socialist parties' electoral successes have been due to their answers to the housing crisis. In the context of New Zealand, Luxon recently reinstated interest deductibility for landlords, which is going to hand billions to their class.[32] Could this be an avenue of some greater consciousness in New Zealand? What do you think about housing from a Marxist point of view?

JH: I'm glad you brought this up, because I wanted to add that bosses are involved in the class struggle too. If you're in a high-inflation environment and you're only offering a below-inflation pay increase, you're trying to improve your class position. This also relates to how capital is structured in companies. Private equity firms can take over a company, and there's an element of class struggle in that too. They put a focus on short-term profitability over long-term sustainability of the company.

RR: One of the good Marxist or communist working methods we were taught was to seize upon issues that are affecting people. You're absolutely right; housing is one of them, and there aren't many players out there taking up that issue. The problem is that New Zealand has one of the most petty-bourgeois housing markets. I was just reading the figures today. We have so many thousands of people who own one house each, whereas in Europe, the houses are more often owned by big companies or by local authorities, so you can get rent strikes going, etc. What we're lacking is a socialist or communist party to achieve what happened in Austria, Belgium, and the Netherlands.

JR: This is one of the things I came across when I was standing for Workers Now in Panmure-Ōtāhuhu electorate last year.[33] I took along my leaflets on the rising cost of living and union issues, but it was housing that was on people's minds; that's what they responded to. And these were people who were in houses, since I was knocking on doors. It's an absolute crisis in New Zealand at the moment, and it's probably worse here than just about anywhere else in the developed world. Our program was to demand from the government a massive program of building state houses. The Labour Government, which was in power at the time, said they were doing it. They built a few,[34] but then they rented them out at market rents, meaning they might as well be privately owned houses. The whole point of the state house program, which the First Labour Government brought in during the 1930s, was that rents were capped! There were affordable rents, and the maximum proportion of the tenants' income to be paid was 10, 15, or 20%. Our Workers Now program was no more than 10%. That's still the situation in Cuba. But it's a matter of demanding these things.

Luxon, with his seven houses, represents a much broader layer of parasitic capitalists who are trying to make profits without production, just by owning and renting out houses. Yes, it's a thing we need to be organized around, but on the other hand, there are other things around it. And it can't be realized without taking power away from the profit makers. The Labour Government in the 1930s had some leeway that doesn't exist anymore. They were able to rectify the problem by pouring capital into it — through which some of the wealthiest capitalists in New Zealand got rich, the Fletcher family in particular[35] — but that's not going to happen again. There isn't going to be the same demand for state-owned houses with guaranteed tenancy and rents capped at a certain percentage of the tenants' income.

What do you think about community land trusts as a solution or alleviation to the housing crisis in New Zealand? In other countries, community land trusts exist where communities get together to stop gentrification. They also control rents. The idea is to make non-market housing, so that over time the rent stays the same, but because of inflation, it gets cheaper overall.

JH: There are some interesting models in Germany in terms of long-term renting. There are better rights, and also housing cooperatives that have been running for years.

RR: With the topics that have come up tonight, there's always been a bit of a dichotomy in communist and Marxist circles of whether one is a revolutionary or a reformist. That's been unhelpful in many cases, because you can't go out there and start the revolution tomorrow. There would only be one of you, and you would probably be put away for doing so. Most people are politicized by trying to do reform. — That is, when the reform is successful. The problem happens when reforms become an end in themselves, and society doesn't really change. This would be my old Maoism again, but, "let a hundred flowers bloom."[36] Do all of these things, but also learn from them and about society. Sharpen your analysis of how we can achieve whole, societal change.

James, you said there's a question of whether colonization was a good thing for Māori, and I'm surprised no one brought it up. That has to be contested, especially with regards to what has gone on in Palestine for the last 80 years, or 110 years if we're counting from the Jewish migration. If we assume that in 50 years time, Palestinians had voting rights in Israel, were able to own a home there, maybe a bit of land — would you call that better off for them? Back in 1840, before the Treaty of Waitangi[37] and before colonization in New Zealand, Māori actually had an economy, culture, and history. For those who have lost the ownership of their land — their language, their culture, their autonomy, their taonga[38] *— where in the world would you say they are 'better off'?*

JR: Simple answer: nowhere — *yet*. That goes for the original imperialist countries of the world too. In England, people lost their land too; peasants were driven off their land, forced into factories. It was a disaster there just as much as it was for Māori when capitalism reached these shores. The point I'm making is not to contest the disaster, and it truly was a disaster. But that's the history. That is the history of humans in the last 10,000 years, the descent into the horrors of class society, but through which the productive capacity of human labor has been raised, and now we're at a point where the horrors can be done away with, and we can institute a classless society on a higher basis. I can't see any other way that it would have happened, but it's irrelevant anyway, because it has happened. We have to look to the future.

It's probably ongoing. You could look at the example of Ihumātao five years ago.[39]

JR: Certainly. The history of capitalism established the relationship of forces, created this exploited proletariat of both migrant and indigenous sources, and so too does it maintain the dispossession. The defeats of the past carry on into the present.

RR: It does my pacemaker-ed heart good to see so many young people in a room actually talking about these things. We've gone through a few generations of a real dearth of young students and young workers even interested in socialism and what it might mean. I've noticed it coming back again in the last four or five years. The fact that you're all here discussing these issues is really good. Do get involved, whether it's worker democracy, housing, etc., and hone your analysis at the same time.

JH: Robert mentioned that we're only talking about economics and not so much the superstructure. If we look at the political situation in New Zealand, especially the last few elections, people are getting politically apathetic because there doesn't seem to be a difference between the parties, particularly Labour and National, who don't want to challenge capitalism in any way, as opposed to tweaking it around the edges. It's fair to say that the last Labour Government had a majority but did little other than Fair Pay Agreements, which is just a change to industrial laws that facilitates industrial bargaining — moderate in world terms. But even that got rolled back by the Nats immediately. They got into office before even one agreement had been settled. That's an example we should learn from.

There are two things that the serious political Left should consider in light of those disappointments. First, we need to encourage our political representatives to be less forgiving of bad-faith political actors. If actors are trying to obfuscate or delay policies they don't like, particularly concerning issues they've been democratically elected on, they should get pushback. Second, it's useful for the Left to consider the issue of capital strikes. Just as a worker withdraws his labor, saying, "I want something to change," a capitalist can withdraw their capital too. This is relevant to some of the recent debates around the prospect of a wealth tax in New Zealand. The concern is that a wealth tax would cause capital flight. We need to have a serious conversation about capital strikes: why and how they happen, and how we might combat them.

One of the interesting examples you can look at is the First Labour Government. The government of Michael Joseph Savage seemed to have a lot more backbone than the one we've got now. In 1938, the British banking establishment decided that they weren't going to renew New Zealand's international loans. This would be the equivalent of your bank cancelling your mortgage. This caused the 1938 financial crisis, the exchange crisis. It was suggested that the British banks and the political establishment were objecting to the welfare system that Labour were trying to bring in, along with the system of import control. It was actually a capital strike aimed at politics. Savage, at the time, called the loan terms "intolerable, objectionable, unnecessary, and humiliating." Around then, New Zealand got one of the first systems of universal health care. There was a big debate about how the government was setting up the New Zealand health system, a debate with the New Zealand arm of the British Medical Association, who represented the doctors in New Zealand. The New Zealand government was saying, "We want to give you a fixed fee for every consultation," and the doctors would say, "No, no; it's an important part of our profession that we can charge something on top." They wanted to keep a capitalist element to it, which Savage strongly opposed. In May 1939, Savage famously met with the doctors and a few of the other ministers. On the issue of maternity services, Savage lost his patience and threatened that he would essentially treat the doctors as though they were on strike, and that he would get his own doctors to work for the government if need be. There was one particular thing he told the doctors in 1939 that struck me when I was thinking about the disappointments over Fair Pay Agreements. Savage said, "Let us be quite frank. We are not going to do any more waiting." Imagine if we had governments like Savage's, who stood up to get through democratically supported policies.

JR: On the question of where to begin, people have raised ideas about different ways of organizing. This was a question I was grappling with in the election campaign I ran last year for Workers Now. Election campaigns are a good way of beginning, because they offer you an opening to raise a range of ideas about political questions, giving you an excuse to knock on peoples' doors and have those conversations. What's a working-class solution to the housing crisis? How can we fight the rising cost of living? How can we challenge the super-exploitation of migrant labor? If anybody wants to join with me, give me your email address and I'll be in touch. **|P**

Transcribed by Ciaran Fitzpatrick, Mandy M., and Michael McClelland

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[1] Available at <https://convincingreasons.wordpress.com/>.

[2] FIRST Union was founded in 2011, and changed its name in March 2024 to Workers First Union.

[3] Video of the panel is available at <https://youtu.be/TH_xzdhzn4s>.

[4] Karl Marx, "Theses on Feuerbach" (1845).

[5] Bruce Jesson, "The Labour Party—Where have all the workers gone?," *The Republican* 47 (1983): 12–18. Jesson (1944–99) was a New Zealand journalist, author, and political commentator. Jesson was known for campaigning for New Zealand's independence from Britain and writing against the influence of neoliberalism in New Zealand. He associated with Trotskyist activists briefly in the 1970s, but later entered politics as a social democrat.

[6] Parnell is an inner suburb of Auckland where a main sewer line collapsed in 2023. See "Sewer line collapse causes 13m deep sinkhole in Auckland's Parnell," *RNZ* (September 27, 2023), <https://www.rnz.co.nz/news/national/498871/sewer-line-collapse-causes-13m-deep-sinkhole-in-auckland-s-parnell>.

[7] See Raphael Franks, "Auckland sewer sinkhole: More than 8 million litres of sewage pouring into Waitematā Harbour," *The New Zealand Herald* (September 29, 2023), <https://www.nzherald.co.nz/nz/auckland-sewer-sinkhole-over-8-million-litres-of-sewage-pouring-into-waitemata-harbour/YYS4XOKT7JCSFFF3IFVLVVLADA/>.

[8] See "Rush to fix broken pipe after raw sewage enters Wgtn Harbour," 1News (August 12, 2024), <https://www.1news.co.nz/2024/08/12/rush-to-fix-broken-pipe-after-raw-sewage-enters-wgtn-harbour/>.

[9] See Jordan Bond, "Auckland's leaky pipes lose more than the city saves," *RNZ* (July 3, 2020), <https://www.rnz.co.nz/news/national/420455/auckland-s-leaky-pipes-lose-more-water-than-the-city-saves>.

[10] See Phil Pennington, "Kaitaki ferry had many old parts in its engines when one blew out, stocktake finds," *RNZ* (July 20, 2023), <https://www.rnz.co.nz/news/national/494120/kaitaki-ferry-had-many-old-parts-in-its-engines-when-one-blew-out-stocktake-finds>.

[11] See V. I. Lenin, *Imperialism: The Highest Stage of Capitalism* (1916).

[12] Hendren is referring to the thought of economist Robert Wade. See Robert Wade, "Globalisation and its limits: Reports of the death of the national economy are greatly exaggerated", in *National Diversity and Global Capitalism*, eds. Suzanne Berger and Ronald Dore (London: Cornell University Press, 1996), 60–88.

[13] Michael Roberts is a London economist associated with the theory of the tendency of the rate of profit to fall. See D. L. Jacobs and Marina Blumenschein, "Engels' contribution to the critique of political economy: An interview with Michael Roberts," *Platypus Review* 133 (February 2021), <https://platypus1917.org/2021/02/01/engels-contribution-to-the-critique-of-political-economy-an-interview-with-michael-roberts/>.

[14] ACT (Association of Consumers and Taxpayers) New Zealand was founded in 1994.

[15] New Zealand First was founded in 1993.

[16] Founded in 1981 and formerly known as Atlas Economic Research Foundation, the Atlas Network is a think tank based in the U.S. that provides training, networking, and grants for libertarian, free-market, and conservative groups around the world including the New Zealand Taxpayers' Union.

[17] The Junior National Party, now Young Nationals, are the youth wing of the National Party, which is New Zealand's conservative party. Reid has written about his transition to the Left. See Robert Reid, "The day I began my journey from Young Nat to committed socialist," *The Spinoff* (July 31, 2021), <https://thespinoff.co.nz/politics/31-07-2021/the-day-i-began-my-journey-from-national-party-member-to-committed-socialist>.

[18] Socialist Action League was a Fourth International-aligned Trotskyist group founded in 1969. In the 1980s, SAL broke with the Fourth International and later renamed itself the Communist League (CL). James Robb was a member of SAL and CL.

[19] Workers' Communist League was a Maoist "liberationist" group formed in 1979 by several individuals, including Robert Reid, coming out of Wellington's Marxist-Leninist Organisation and the Hamilton-based Northern Communist Organization. It provided a home for communists who Left the Communist Party of New Zealand when the latter group broke from China after Mao Zedong's death and formed a new alliance with the Party of Albania. The WCL dissolved into the short-lived Left Currents in 1990.

[20] Unusually for a national communist party, CPNZ aligned with China after the Sino-Soviet split in the 1960s. This led to the founding of New Zealand's USSR-friendly party, the Socialist Unity Party, in 1966.

[21] The Fourth Labour Government of New Zealand, led by Prime Minister David Lange, earned notoriety from sections of the Left for introducing economic reforms that included substantive deregulation and privatization across industries. Under Finance Minister Roger Douglas, after whom the term "Rogernomics" was coined, policies such as the removal of subsidies to industries and an overhaul of the tax system set the agenda for New Zealand neoliberal policy into the 1990s and 2000s.

[22] Wolfgang Rosenburg (1915–2007) was a German-born New Zealand economist who, in his writings, challenged the neoliberal policy of New Zealand's Fourth Labour Government.

[23] The Alliance, founded 1991 by former Labour MP Jim Anderton, was a democratic socialist party composed of a handful of smaller parties who wished to offer an alternative to the Labour Party. It included the Democratic Party, the Green Party, Mana Motuhake, New Labour, and the Liberal Party. The Alliance dissolved in 2015.

[24] Michael Parenti, *Blackshirts & Reds: Rational Fascism & the Overthrow of Communism* (San Francisco: City Lights Books, 1997).

[25] John Maynard Keynes, *The Economic Consequences of the Peace* (London: Macmillan, 1919).

[26] Rosa Luxemburg, *The Crisis of German Social Democracy* (1915), also known as the *Junius Pamphlet*.

[27] In 2023 there were counter-protests against British anti-trans activist Kellie-Jay Keen-Minshull, also known as Posie Parker. During her speaking tour of New Zealand, Parker scheduled an event in Auckland's Albert Park after LGBTQ-rights groups called for her deplatforming and unsuccessfully petitioned New Zealand's immigration authorities to deny her entry on the grounds that she posed a threat to public order. Estimated thousands attended the counter-protests, eventuating in multiple injuries and one protestor dowsing Parker in tomato juice. Parker was escorted away by police. See Tess McClure and Charlotte Graham-McLay, "Anti-trans activist Posie Parker leaves New Zealand after chaotic protests, *The Guardian* (March 26, 2023), <https://www.theguardian.com/world/2023/mar/25/anti-trans-activist-posie-parker-ends-new-zealand-tour-after-violent-protests-erupt>.

[28] Eric Hobsbawm, *The Age of Revolution: Europe 1789–1848* (Cleveland: World Publishing, 1962).

[29] The Great Strike of 1913 was one of New Zealand's most intense industrial confrontations, beginning with two relatively small disputes — one at a Huntly coal mine and the other on the Wellington waterfront. Ultimately, between 14,000 and 16,000 workers went on strike, a significant number given the national population of just over one million. The strikes were suppressed by government-backed strikebreakers, leading to the defeat of the strikers.

[30] Christopher Luxon is also the leader of the National Party.

[31] Elke Kahr of the Kommunistische Partei Österreichs became the mayor of Graz in 2021.

[32] See "PM Christopher Luxon argues renters will be 'grateful' for interest deductibility change," *RNZ* (March 13, 2024), <https://www.rnz.co.nz/news/political/511596/pm-christopher-luxon-argues-renters-will-be-grateful-for-interest-deductibility-change>.

[33] Panmure-Ōtāhuhu is an electorate that comprises two suburbs in Southeast Auckland.

[34] The Labour Government under Jacinda Ardern built fewer than 5,000 houses in its first term. See Bryce Edwards, "State builds missing from govt housing package," *RNZ* (April 1, 2021), <https://www.rnz.co.nz/news/on-the-inside/439661/state-builds-missing-from-govt-housing-package>.

[35] The Fletchers are a family of businesspeople and politicians related to Sir James Fletcher, a New Zealand industrialist who founded Fletcher Construction, one of New Zealand's largest firms. Fletcher Construction gained a large number of contracts for state-housing construction during the First Labour Government of New Zealand.

[36] In 1957–58, the Chinese Communist Party, led by Mao, conducted a campaign to "let one hundred flowers bloom in social science and arts and let one hundred points of view be expressed in the field of science." The purpose of the campaign was to allow citizens to offer criticism to the government and the Party. It was known as the Hundred Flowers Campaign, the Hundred Flowers Movement, and the Double Hundred Movement.

[37] The Treaty of Waitangi (Te Tiriti o Waitangi) is the founding document of New Zealand. Meant to be a partnership between Māori and the British Crown, the Treaty has played a major role in relations between the Māori people in New Zealand, governments, and the wider population, especially in the late 20th century.

[38] [Māori] A treasured possession in Māori culture.

[39] Ihumātao is an archeological site of historic importance in the Auckland suburb of Māngere. In 2019, three years after Fletcher Building purchased the land as part of a housing-development project, an ongoing occupation of the land by protesters led to arrests, legal proceedings, and solidarity protests elsewhere in New Zealand.

how we might be able to change them. For instance, Marx analyzed the contradictions under capitalism between workers and the bourgeoisie, between labor and capital. Under capitalism and imperialism, further contradictions have risen between the metropolitan / imperialist countries and the pillaged third world. With the threat of global warming, further contradictions are exposed, such as the contradiction between the whole human race and our future — between surviving or not. There are other contradictions at work, such as those related to gender or ethnicity, which have their own particular characteristics under capitalism. The job of Left politics, armed with the dialectical and historical method of analysis that Marxism gives us, is to work out how these contradictions relate to each other, so we can chart a way forward, not just for the emancipation of the working class, but for all other oppressed groups and the planet as a whole under capitalism.

In response to the question, "How has capitalism changed over time and what have these changes meant politically for the Left?," yes, capitalism has changed, and this is one of the key challenges for the Left. Many aspects of capitalism today would have been completely unrecognizable in the 19th and early 20th centuries. As a self-criticism, the Left has not kept up with these changes through analysis or practice. We still have our dialectical and historical materialist method of analysis, but we have to remember that even that method was developed at a time when science or natural science was naming order, species, genus, and family, and constructing the periodic table of elements. This was the scientific method which Marx and Engels adopted for their work. But now, natural science is giving us quantum physics and other things like that; I'm not sure that we have a Marxist equivalent in our understanding of what new forces exist in capitalism.

As for whether the class struggle takes place today, yes, we have classes and class contradictions, but we have them between the Musks, Bezoses, Zuckerbergs, Ellisons, Buffetts of the world on the one hand and the global proletariat and peasantry on the other. That contradiction is so much greater than the contradiction between labor and capital ever has been. The role of the Left is to provide agency for those who are oppressed by the current capitalist imperialist system. That is, both the working class who are exploited at the point of production and those oppressed by imperialism and settler colonization. Here we must mention the current atrocities and genocide taking place in Palestine.

Is capitalism in crisis? Again, yes. James has probably done the same thing me and my comrades did over the years, observing in our papers every year that the capitalist system is in crisis. But saying it's in crisis doesn't necessarily help us to understand it. Because, on the other hand, capitalism has been more resilient than we on the Left or our predecessors, even Marx and Engels, would have thought. So it's about understanding where that resilience comes from. If capitalism is its own gravedigger — and it is — when's the grave going to be finished? Just when we think capitalism is on its last gasp, something else will occur, continuing the capitalist economic and social system.

In a new era of global capitalism emerging, how do we envisage the future of capitalism, and what are the implications of that for the Left? We need to ask ourselves what form capitalism has developed into. If we can be a bit heretical, we might ask whether it is even still the same capitalism, or another system entirely. I don't want to be like Fukuyama declaring the end of history, but more like Yanis Varoufakis describing today's society as techno-feudalism. His thesis is that with the rise of feudal technolords like Bezos, Musk, and Zuckerberg, mega-wealth is no longer accumulated via surplus value from the work site, but through the rents that they are seizing from all the economic activity that they control. Some may say that arguing over words is not important, but we need to know what we are fighting. We need to be brave and sure enough of ourselves that we can look at other methods of analysis, testing them to see if they are helpful. I have ended with the philosophers — and Joe, I hope I have the comma in the right place here — who interpret the world, but the point is to change it.

Responses

JH: There are some interesting thoughts here. It's useful to distinguish between different strains of Marxism, in terms of the interrelationships of the major figures. It's not all the same. There's one school of thought that says Marx, Engels, and Lenin are all saying the same thing. On the other hand, we could look at Marx's early writing which was discovered later on after the Soviet Union was formed, in the 1930s and 40s, what was called the "humanist Marx," with theories of alienation, etc. Further, there are even people who suggest there are differences between Marx and Engels. Robert mentioned this in terms of the scientific question. I think Engels was much more on the "scientific Marxism" end of the spectrum, whereas Marx had more of an influence from German philosophy, meaning he was a materialist, if a strange kind of materialist, which relates to the ideas of Gramsci, who came later. All sorts of strains come out of Marxism.

Following what Robert was saying about Lenin on imperialism as a stage of capitalism, it can be useful to relate this to the globalization debate. For example, capitalists say that you'll only ever get more trade in the world, more capitalism, and that this is never-ending and inevitable, but that's not true. If you look at history, globalization has come and gone in waves. In the mid-19th century, when Marx and Engels were alive, the world was characterized by free trade. In the 1870s and 80s, however, there was the long depression. That's when capitalism started to go asunder, when capitalists said, "This isn't meant to happen." In the leadup to World War I, the previous system of free trade and open markets was dismantled. So, when they say today that laissez-faire capitalism is the inevitable consequence of the market, well, it has been dismantled before. Capitalism isn't going to remain the same forever.[12]

We also saw this with the Great Depression. At the time when the stock market crashed, one of the prevailing economic theories was neoclassicism. Capitalists would say, "We've got to keep retrenching; we can't invest," but that only made the depression worse. This situation led to the Keynesian idea that when a nation is in a depression, the government should invest so that the economy can get going again.

I recently went to a talk by the Marxist economist Michael Roberts.[13] I might have theoretical differences with him, but I found interesting some of his predictions for what might happen soon in the economy, particularly in terms of globalization and imperialism. Since the 1970s, there has been more globalization, of which we've been told by people like Fukuyama that it can only go in one direction. Well, it's actually starting to reverse again. A lot of countries are experiencing a combination of higher inflation and lower growth. Some have questioned whether this will mean a long depression such as that in the 19th century. Since 1970, the ratio of global trade to global gross domestic product (GDP) rose to about 60%. But since 2008, it's been going down again; the directions are changing. You can also see how countries are trying to grow, to get more profit, and they're starting to borrow. The ratio between debt to GDP is going up as well. When you read in the newspaper that things under capitalism are going to get better next year, that might not be the case.

JR: Robert made a good point: the Left hasn't caught up with the changes in the world. Among these changes, the biggest is China. The historic shift of the center of gravity of world capitalism from the U.S. to China is a massive change. I mentioned at the end of my opening remarks that the huge development in China was the rising tide in world capitalist development that raised all boats; it saved world capitalism and mitigated the effects of the Global Financial Crisis, which could have been a lot more catastrophic but didn't really affect China. China is the world's greatest economy in terms of value created. You read everywhere it's the second biggest economy, but that's measured in terms of GDP, which measures all these little parasitic operations that I was talking about before: currency exchanges, stock-market speculation, etc. GDP statistics vastly overrate the value creation in the U.S. and underrate it in China. I've got a graph here that shows world steel production in the U.S., Japan, Russia, Germany, China, India, and Korea at the end of each of the last five or six decades. It shows that the U.S. was the biggest steel producer, slowly going down. Japan is up there with the U.S., and also going down. Russia, down and then up a little bit, but still down overall. Germany, way lower. China, however, is skyrocketing. Steel is an absolutely central commodity for all industries; you need steel for construction, shipbuilding, car manufacturing, appliances, electronics, everything. China produces more than half of the world's steel in one country alone. India's going up on the graph too, but starting from a much lower position and still way below China. This is the central change in world capitalism that we haven't caught up with. It's been booming for 50 or 60 years, an unbelievably long, continuous boom which is coming to an end now.

China is being drawn into the world crisis of capitalism. They have a debt balloon and a real-estate bubble they just don't know what to do with. China is the foremost imperialist power, and like all imperialist powers, it will resort to military means to defend its profits. So, a confrontation between the moribund, declining U.S. and China will be unthinkable in its consequences. If you think of the nuclear bomb dropped on Hiroshima, that was a city of less than half a million people; there are now 30 million living in Shanghai. It's hard to imagine the consequences if such a catastrophic war were to happen. But it's inevitable, driven by capitalism. That is, unless the working class intervenes and overthrows the dictatorship of profit. That is one of the best reasons to oppose capitalism.

Robert also answered the question "Is there a class struggle?," saying yes, there is. I agree, but it has to come with a qualifier. In New Zealand, the class struggle is extremely muted, like just about everywhere in the world. China is the key to understanding that, too. The power and self-confidence of the working class in the previous period, 40 years ago, had been concentrated in the advanced economies of North America, Japan, and Europe to a certain extent. The partial deindustrialization in these countries, the shift of capital to China, robbed the working class of part of its power, reduced it. It wasn't just in the imagination; it was reduced, and that takes a while to recover from. This doesn't mean workers are powerless in a country like New Zealand, but it has meant a complete break with the past. All the old organizations and institutions fell apart, and new ones have to be built from scratch. But it's not the first time this has happened in history. There was a similar break with the past in 1914. All the working-class organizations in Europe shattered on the outbreak of the war, and yet it wasn't the end of history. A revolutionary breakthrough took place in Russia a few years later. It's an interesting period to be alive.

RR: Joe and James have correctly focused on the economic substructure of what's happening. I'll open up the question of what that might mean for the superstructure, for politics. What worries me at the moment are the forces that are opposing us, whether they're the extreme neoliberal, libertarian ACT Party[14] or the reactionary New Zealand First Party.[15] The likes of these, not only in New Zealand but around the world, have now met; libertarianism and Right-wing reaction are holding hands. Organizations like the Atlas Network[16] are mentioned more and more, and there's the funding of Right-wing think tanks, etc. Trumpism is part of that. These are leaving us on the Left for dead. I worry. Looking at the UK — not that the British Labour Party was up to much anyway — Prime Minister Keir Starmer was probably worse than the Conservative Party in many ways. I'll leave that as a question. How do we deal with the politics of capitalism? Marxists believe politics flow from economics, and everything Joe and James have said on economics suggests why we're getting these dangerous alliances coming together. How do we on the Left oppose that on the superstructural level, and challenge the economic substructure at the same time?

Q&A

How did you come to understand Marxism when you were young, and how are people trained on the Left today? What has changed?

RR: I went from being in the Junior National Party to organizing the mass campaign against conscription.[17] I became a communist at Victoria University, where it was not actually working-class issues that took us Leftward, but the international situation, the U.S. imperialist war on Vietnam. We came, maybe a bit less than other people, from middle-class backgrounds. But it was through meeting Marxists, whether they were in the Socialist Action League (SAL)[18] or the Workers' Communist League (WCL),[19] or even the Communist Party of New Zealand (CPNZ) and Socialist Unity Party (SUP).[20] Particularly for SAL and WCL, it was about studying Marxism and realizing how the economy worked, how the working class was oppressed, and how they were the motor of history. This meant that all of these other problems in the world couldn't just be solved by a group of petty-bourgeois students going on rallies, but that we needed to actually — I'm going to be Maoist now — dig tunnels deep. In both of our organizations, as students, we left study and went and joined factories for many years. Those sorts of things were happening during my transition period.

JH: Politics doesn't necessarily start with ideas, but with the emotions you felt as a kid. I remember my father saying he could still remember the absolute dread that filtered through his house as a nine year-old when National won the 1949 election. That was one of his first memories. I had something similar happen when I saw my dad getting angry at the Fourth Labour Government,[21] and asked him what was wrong. I started by responding to it emotionally and then trying to understand the ideas that came with that. I went on to do a philosophy degree, where I was often questioning things, and I probably gravitated towards contrary ideas in general, just to see how I could understand them. Some of the first economics texts I read were those by the thoughtful Marxist Bruce Jesson, whom I mentioned earlier. He's worth reading; he goes through the ideas in a New Zealand context. The other person I started reading was Wolfgang Rosenburg,[22] who wrote about how Keynsesian economics worked, why it was so successful, and how that success went into a big memory-hole. That led to me joining the Alliance[23] and working in Parliament, and then in the unions, where I came across Robert, who has been a friend of mine for years.

JR: My story is like Robert's. It was easier for people growing up in the 1970s to find their way to political action and a Marxist view of capitalism because there was a great deal of political ferment generally. I came along a bit later; I was still in high school during the anti-Vietnam War movement. The anti-Apartheid struggle is what threw me in. I remember watching the first TV footage of the Soweto Uprising in 1976 and thinking, "I know what side I'm on." I learned about Marxism through engaging in political actions around specific demands like that, as well as reading and joining an organization which fought for and along with a working-class basis. But that was all in the context of action taking place in the working class. I wanted more than there was then, but compared to today, it was a period of great union organization. There were the first big struggles by women workers, and Māori workers were taking the lead in various central unions like the meat workers' and timber workers' unions. In the bureaucratized unions, there were little, democratized organizations of workers themselves, such as in the Engineers Union in Auckland, which was one of the most bureaucratic. When I got a job at the Nissan car factory, there was a factory-wide union that was run in a democratic way. We had stop-work meetings every month where everybody could raise issues. It was a real education in the class struggle, one that is much more difficult to bring about today. It's hard to convince anybody of Marxist ideas, which are based on the working class leading society, when workers are not really engaged in politics; it's a hard thing to break out of.

The point was raised about the meeting of neoliberalism and reaction. Michael Parenti's book Blackshirts & Reds *(1997)[24] talks about how when the Nazi Party came in, it sold itself to the German people as a workers' movement, when in reality, it was state capitalism. This meeting of the forces of reaction and neoliberalism that Robert describes isn't a new thing. It happened 80 years ago already.*

JH: I wouldn't put it that way. You've got to look back to 1919, when there is the background of the Treaty of Versailles conference. There were a lot of heavy economic consequences brought upon Germany to try to make them pay for the war. Interestingly, one person who wrote a critique of this, saying, "this will be a disaster," was Keynes, in his book *The Economic Consequences of the Peace* (1919).[19] It set up a situation where someone like Hitler would rise. The German economy was wound down, all the money was going out, and they had hyperinflation. So, people got desperate. It was more complicated than any necessary relationship between neoliberalism and Nazism. What you had, rather, were traditional conservatives, who, when Hitler didn't have quite enough votes in the election to get into government, said, "We'll put him in, because we think we can control him," but they couldn't. Ironically for the times, Hitler was more on the side of military Keynesianism, as he started spending money to protect and help the German economy. In a strange way, it wasn't neoliberalism but neoclassicism that put him into power.

Robert, you brought up that society developed through phases, from proto-communist to feudal, etc. Is it a specific condition of Europe or any one part of the world? Or does this development relate more to human nature?

RR: I don't believe in human nature as a construct. You're right; we're all Eurocentric, and so is Marxism. We always have to test and judge it. We have to read and take on all the other Marxist or neo-Marxist thinkers from the Third World. One has to keep challenging oneself. This Greek economist and politician, Yanis Varoufakis, is challenging me at the moment by asking the question, "Has capitalism changed so much that it's no longer capitalism anymore, but a new thing?" That's a good debate to have. Whether we call it capitalism or techno-feudalism, this discussion helps us understand it and hopefully find methods to defeat it.

JR: It's theoretically possible that human society could have developed in other ways, but once capitalism developed in Europe, it spread to the rest of the world, and then it cut off all other possibilities. Also, the descent into class society from what Marx called primitive communism — where, from the equality of poverty and low productivity of labor, society divides into classes — was a disaster for those on the bottom, for the colonized people. But only through that process was the productivity of labor developed, and from that, we can re-forge a classless society on a much higher basis. I doubt things could have gone any other way. It's relevant to this whole debate about whether colonialism was a disaster for the Māori in New Zealand or if there were advantages as well.

JH: There is a danger of things getting Eurocentric, however, you've got to look at how others have struggled in the Third World; it's inspiring. If you're thinking, "I'm so sick of politics; I'm worn out," I suggest you go to the Philippines. I went, and it was great. People on the Left there have so much energy; they're fighting capitalism and they might face death for doing so, but they still keep doing it. I remember the big environmental march they had, and these activists carried around a cardboard bulldozer for three hours. I don't know how they did it. I found that inspiring.

Two years ago, there was the decision to stop buying Russian energy, and now the energy prices in Europe are high, and European economies are in bad shape. German production has gone down 37% just last year. Because of the deindustrialization of Europe, there has been the rise of Right-wing parties, like Alternative für Deutschland, the second largest party in Germany. How will this influence the future of capitalism?

JH: Unfortunately, it has to do with war, specifically in Ukraine. Before the Russia–Ukraine War there was quite a bit of economic activity happening in Eastern Europe, particularly between Germany and Eastern Europe, that was doing well. Pipelines, etc. It has been suggested that one of the outcomes of the War was to upset that economic relationship and put the Americans back on top. I completely disagree with what Putin does, but in terms of the economic consequences, I found that interesting.

JR: The stakes are high in all of these things. There was a time when the U.S. could impose its will on just about any country in the world through a combination of its economic and military force. Those days are gone. It was unable to impose its will on Afghanistan, one of the most economically backwards countries in the world. It couldn't defeat the Taliban, who were hated — and still are — by a lot of people in Afghanistan. If that's true of the U.S., it's even more true of Europe. The old powers of Germany, France, and the UK are decrepit. These things will be sorted out by war, one way or the other. Another example similar to what you're talking about is the situation Australia faces. They also had a long boom, selling ore and coal to China, which has been the basis of the Australian economy for decades. But now they want to join the U.S. war drive on China, and even though it's going to have catastrophic economic consequences for Australia, they're still driven to do it, still bound to the U.S. They don't have a solution. It's hard to predict how it will pan out in the end.

RR: Rosa Luxemburg put it extraordinarily well when she said it wasn't a matter of capitalism and socialism, but that it was either "socialism or barbarism."[26] We're in for a barbaric period in the history of the world, and the only solution is socialism.

Where could the next successful revolution take place?

[All panelists laugh warily]

RR: That's probably James's point: if you had asked that question 30 years ago at a meeting like this, we would've all been jumping over each other to name the country, whether it was Indonesia, Malaysia, etc. I guess that's what I'm saying — although we require socialist revolutions in order to get out of this situation, it's easier to name where more barbaric activities are likely to happen than any revolution.

JR: It's difficult to predict because it depends on many unknowable quantities. However, you can make a few general points. The key to the world situation is now in Asia, and China in particular. The working class worldwide is stronger than ever in numerical terms, its social weight in the world population greater, but that growth has taken place in Asia, while declining in the old advanced countries. That still doesn't answer the question of where the next breakthrough will be. In the early years of the 20th century, it was assumed by socialists everywhere that the first revolution would be in Germany, because it was the most advanced nation. Germany had a massive working class that was organized in unions, in mass political parties. And yet, the Revolution in Germany after World War I failed, and where it did happen was in Russia, which nobody had predicted, because Russia had a tiny working class. This proves that revolution can take place in less favorable circumstances. It's not necessarily the biggest, strongest working class that makes the revolution first.

JH: I'm probably more of a democratic socialist in that I'd prefer to get these things done by democratic, peaceful means if possible. However, I can recognize that to my colleagues, who are more keen on revolution, reform has become more difficult to sustain. In terms of revolutions, perhaps it won't be us who decide it. Generally unequal societies become unstable; it's going to be the capitalists who decide it by causing the problem to begin with.

The panelists have broadly characterized the present conditions for revolution as unfavorable, but if you look at Tahrir Square in Egypt (2011), the Euromaidan in Ukraine (2013–14), or even smaller contexts like the recent protest against Posie Parker here in New Zealand (2023),[27] it would appear that the problem is not that people are unwilling to act or assemble, but that they are faced with obstacles as to what to do next. Even when mass actions have successfully moved governments, the Left has been unable to capitalize on that and provide a better world.

JR: One of the essential conditions is to have a revolutionary leadership that has been tested in battle and can lead. That was the key difference between Germany and Russia in the early post-WWI